

Green Climate Fund Trust Fund

Financial Report

Prepared by the Interim Trustee

(The World Bank)

As of June 30, 2016

Green Climate Fund Trust Fund Summary as of June 30, 2016

Notes:

1. The World Bank provides trustee services to the Green Climate Fund (GCF), on an interim basis. This report covers the financial status of the Green Climate Fund Trust Fund (GCF Trust Fund), established at the World Bank for this purpose.
2. This report does not include financial information related to contributions to the GCF provided through other channels (e.g. via UNFCCC Secretariat or directly to the GCF Secretariat).
3. Cumulative funding decisions by the GCF Board (Annex 1) are reported for informational purposes only. These reflect commitments recorded against GCF Trust Fund resources only insofar as the interim trustee has been notified of such funding decisions by the GCF Secretariat.

1. GCF Trust Fund Summary – Inception through June 30, 2016

<i>In USD*</i>		
		Total
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Grant Contributions		2,119,825,491
Cash	1,280,543,211	
Promissory Notes	839,282,280	
Capital Contributions		522,959,587
Cash	264,009,187	
Promissory Notes	258,950,400	
Loan Contributions		-
Cash	-	
Promissory Notes	-	
Investment Income earned		5,981,653
Total Resources Received (A)		2,648,766,732
<u>Cumulative Funding Decisions^{a/}</u>		
<u>Projects and Programs</u>		424,438,756 c/
<u>Administrative Expenses</u>		
Approved Administrative budget		98,952,224
Cancellations (Administrative budget under-expenditures)		(11,508,298)
Total Funding Decisions Net of Cancellations (B)		511,882,682
Total Resources Net of Funding Decisions (A) - (B)		2,136,884,050
<u>Funds Available</u>		
Funds Held in Trust with no restrictions		2,603,739,780
<i>Consisting of:</i>		
<i>a. Cash and Investments</i>	1,505,507,100	
<i>b. Promissory Notes</i>	1,098,232,680	
Approved Amounts Pending Cash Transfer		(466,855,730)
Total Funds Available to Support GCF Board Funding Decisions^{b/}		2,136,884,050

*Non-USD balances have been revalued into equivalent USD based on 6/30/2016 currency exchange rates.

Due to rounding, figures presented may not add up to total/s provided .

a/ as reported to the interim trustee by the Secretariat as at the reporting date

b/ calculation includes funding decisions reported by the Secretariat that are not subject to verification by the interim trustee

c/ includes the funding decisions amounted to USD 256.6 million approved by the GCF Board in June 2016 meeting.

2. Contributions – as of June 30 2016

In USD

Contributor	Cash / Promissory Note	Contribution Type	Currency	Effective (or signed) Contribution in Currency of Contribution a/	Receipts in Currency of Contribution	Cash Receipts in USD eq. b/	Promissory Notes deposited in USD eq. c/	Cash + Promissory Notes deposited in USD eq.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9=7+8)
Australia	Cash	Grant	AUD	200,675,000	130,675,000	99,377,635	c/ -	99,377,635
Austria	Cash	Grant	EUR	26,000,000	11,600,000	12,874,140	-	12,874,140
Belgium	Cash	Grant	EUR	40,000,000	40,000,000	47,624,000	-	47,624,000
Belgium	Cash	Capital	EUR	10,000,000	10,000,000	11,197,000	-	11,197,000
Belgium - Flanders	Cash	Grant	EUR	3,500,000	3,500,000	3,804,850	-	3,804,850
Belgium - Walloon Region	Cash	Grant	EUR	7,000,000	7,000,000	7,973,700	-	7,973,700
Belgium - Walloon Region	Cash	Grant	USD	1,507,115	1,507,115	1,507,115	-	1,507,115
Belgium - Brussels Capital Region	Cash	Grant	EUR	1,100,000	1,100,000	1,262,070	-	1,262,070
Bulgaria	Cash	Grant	EUR	100,000	100,000	109,232	-	109,232
Canada	Cash	Grant	CAD	190,000,000	168,000,000	128,230,118	-	128,230,118
Canada	Cash	Loan	CAD	110,000,000	-	-	-	-
Chile	Cash	Grant	USD	300,000	300,000	300,000	-	300,000
Czech Republic	Cash	Grant	USD	300,000	300,000	300,000	-	300,000
Czech Republic	Cash	Grant	CZK	110,000,000	110,000,000	4,556,555	-	4,556,555
Denmark	Cash	Grant	DKK	407,080,000	207,080,000	32,242,288	-	32,242,288
Estonia	Cash	Grant	EUR	1,000,000	1,000,000	1,122,978	-	1,122,978
Finland	Cash	Grant	EUR	35,200,000	35,200,000	38,256,310	-	38,256,310
France	Cash	Grant	EUR	490,250,000	105,250,000	115,720,375	-	115,720,375
France	Cash	Loan	EUR	285,000,000	-	-	-	-
Germany	Cash	Grant	EUR	17,785,000	17,785,000	24,329,921	-	24,329,921
Germany	Promissory Note	Grant	EUR	750,000,000	187,500,000	97,263,132	109,921,852	d/ 207,184,984
Hungary	Cash	Grant	HUF	1,000,000,000	-	-	-	-
Iceland	Cash	Grant	USD	300,000	300,000	300,000	-	300,000
Indonesia	Cash	Grant	USD	250,000	244,420	244,420	-	244,420
Italy	Cash	Grant	EUR	50,500,000	50,500,000	55,871,350	-	55,871,350
Japan	Cash	Grant	USD	1,500,000	1,500,000	1,500,000	-	1,500,000
Japan	Promissory Note	Grant	JPY	154,028,655,000	38,507,163,800	87,205,678	274,154,976	d/ 361,360,654
Korea, Republic	Cash	Grant	KRW	3,480,000,000	3,480,000,000	3,157,722	-	3,157,722
Korea, Republic	Cash	Grant	USD	96,842,000	22,500,000	22,500,000	-	22,500,000
Latvia	Cash	Grant	EUR	350,000	350,000	416,710	-	416,710
Liechtenstein	Cash	Grant	CHF	50,000	50,000	49,910	-	49,910
Lithuania	Cash	Grant	EUR	100,000	100,000	112,905	-	112,905
Luxembourg	Cash	Grant	EUR	15,000,000	7,500,000	8,186,188	-	8,186,188
Luxembourg	Cash	Capital	EUR	10,000,000	2,500,000	2,812,187	-	2,812,187
Malta	Cash	Grant	EUR	150,000	50,000	55,255	-	55,255
Mexico	Cash	Grant	USD	10,000,000	10,000,000	10,000,000	-	10,000,000
Monaco	Cash	Grant	EUR	250,000	250,000	280,032	-	280,032
Netherlands	Cash	Grant	USD	285,714	285,714	285,689	-	285,689
Netherlands	Cash	Grant	EUR	46,800,000	7,200,000	8,173,530	-	8,173,530
Netherlands	Promissory Note	Grant	EUR	53,700,000	-	-	-	-
New Zealand	Cash	Grant	NZD	3,000,000	3,000,000	2,197,800	-	2,197,800
Norway	Cash	Grant	NOK	1,609,100,000	409,100,000	49,996,470	-	49,996,470

NOTES:

a/ Under paragraph 8.4 of the GCF Trust Fund Agreement, the Interim Trustee's role terminates on April 30, 2018. Payments of contributions made after this date will not be received by the Interim Trustee. In such cases, the provisions of paragraph 8.6 of the GCF Trust Fund Agreement and paragraph 5.4 of the Standard Provisions will apply.

b/ Represents actual USD receipts.

c/ Includes receipts pending FX conversion to USD and reported based on 6/30/2016 exchange rates

d/ Non-USD balances have been revalued into equivalent USD based on 6/30/2016 currency exchange rates.

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2. Contributions – as of June 30, 2016 (continued)

In USD

Contributor	Cash / Promissory Note	Contribution Type	Currency	Effective (or signed) Contribution in Currency of Contribution a/	Receipts in Currency of Contribution	Cash Receipts in USD eq. b/	Promissory Notes deposited in USD eq. c/	Cash + Promissory Notes deposited in USD eq.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9=7+8)
Panama	Cash	Grant	USD	500,000	500,000	500,000	-	500,000
Poland	Cash	Grant	PLN	350,000	350,000	103,005	-	103,005
Portugal	Cash	Grant	EUR	2,000,000	2,000,000	2,167,600	-	2,167,600
Romania	Cash	Grant	USD	50,000	-	-	-	-
Spain	Cash	Grant	EUR	120,000,000	1,000,000	1,084,700	-	1,084,700
Sweden	Cash	Grant	SEK	20,000,000	20,000,000	2,915,150	-	2,915,150
Sweden	Promissory Note	Grant	SEK	4,000,000,000	4,000,000,000	85,921,760	390,467,851 d/	476,389,611
Switzerland	Cash	Grant	CHF	500,000	500,000	561,766	-	561,766
Switzerland	Cash	Grant	USD	100,000,000	65,000,000	64,999,946	-	64,999,946
United Kingdom	Cash	Grant	GBP	3,000,000	3,000,000	4,901,208	-	4,901,208
United Kingdom	Promissory Note	Capital	GBP	576,000,000	192,000,000	-	258,950,400 d/	258,950,400
United Kingdom	Promissory Note	Grant	GBP	144,000,000	48,000,000	-	64,737,600 d/	64,737,600
United States	Cash	Grant	USD	250,000,000	250,000,000	250,000,000	-	250,000,000
United States	Cash	Capital	USD	250,000,000	250,000,000	250,000,000	-	250,000,000
Sub-total: Grant Contributions						1,280,543,211	839,282,280	2,119,825,491
Sub-total: Loan Contributions						-	-	-
Sub-total: Capital Contributions						264,009,187	258,950,400	522,959,587
Grand Total Contributions (Grant+Loan+Capital)						1,544,552,399	1,098,232,680	2,642,785,078

NOTES:

a/ Under paragraph 8.4 of the GCF Trust Fund Agreement, the Interim Trustee's role terminates on April 30, 2018. Payments of contributions made after this date will not be received by the Interim Trustee. In such cases, the provisions of paragraph 8.6 of the GCF Trust Fund Agreement and paragraph 5.4 of the Standard Provisions will apply.

b/ Represents actual USD receipts.

c/ Includes receipts pending FX conversion to USD and reported based on 6/30/2016 exchange rates

d/ Non-USD balances have been revalued into equivalent USD based on 6/30/2016 currency exchange rates.

3. Funding Availability – as of June 30, 2016

In USD*

	As of June 30, 2016 (a)	As of March 31, 2016 (b)	Change since last report (a) - (b)	
1. Cumulative Receipts	2,648,766,732	2,554,853,124	93,913,608	
a. Cash receipts from Contributors	1,544,552,399	1,387,959,446	156,592,953	
b. Investment Income earned on undisbursed balances ^{a/}	5,981,653	2,242,171	3,739,482	
c. Promissory Notes deposited	1,098,232,680	1,164,651,506	(66,418,827)	
2. Cumulative Cash Transfers	45,026,952	38,646,152	6,380,800	
a. Administrative budget Interim Secretariat / Secretariat	42,682,568	36,682,568	6,000,000	
b. Administrative budget Interim Trustee	2,344,384	1,963,584	380,800	
3. Funds Held in Trust with no Restrictions (3 = 1 - 2)	2,603,739,780	2,516,206,972	87,532,808	
<i>Consisting of:</i>				
a. Cash and Investments	1,505,507,100	1,351,555,466	153,951,635	
b. Promissory Notes	1,098,232,680	1,164,651,506	(66,418,827)	
4. Funding Decisions Pending Cash Transfer^{b/}	466,855,730	216,622,774	-	250,232,956
5. Funds available to support GCF Board funding decisions (5 = 3 - 4)	2,136,884,050	2,299,584,198	(162,700,148)	(162,700,148)

*Non-USD balances have been revalued into equivalent USD based on 6/30/2016 currency exchange rates. Due to rounding, figures presented may not add up to total/s provided.

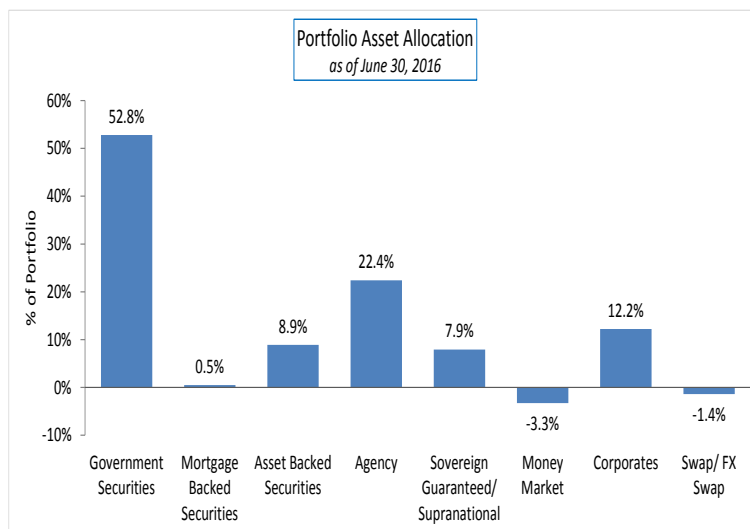
^{a/} GCF TF balances are invested in a capital preservation investment tranche ("Tranche 1") which is managed to an objective of a very low probability of losses over a time horizon of 1 year. Gains or losses reported in quarterly or other interim reports may show mark-to-market losses that may or may not be realized at the end of the investment horizon.

^{b/} calculations include funding decisions reported by the Secretariat and the decisions approved by the board in June 2016 meeting amounted to USD 256.6 million, which are not subject to verification by the interim trustee

4. Asset Mix and Investment Income

ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. Within this Pool, GCF funds are invested in a short term, high quality fixed income portfolio with an investment horizon of one year. As of June 30, 2016, the largest allocations by asset class were to government, agency, and corporate bonds, as well as asset backed securities.



Note: The negative position in Swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place. The negative allocation to Money Market (cash and cash equivalents) is a result of repurchase agreements that are used to purchase yield enhancing securities.

INVESTMENT INCOME

The GCF Trust Fund balances are invested in accordance with the investment strategy established for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. GCF Trust Fund balances are managed such that the expected maximum loss, as measured by the 99% CVaR, is not to exceed 1% at the portfolio’s investment horizon. The 99% CVaR represents the average portfolio loss in the worst 1% of loss cases.

The investment return on GCF Trust Fund balances during FY 16 (July 1, 2015 to June 30, 2016) was **0.52%**. The performance of United States sovereign bonds contributed significantly to investment performance of the portfolio during the quarter, and during FY16.

Annex 1: Cumulative Funding Decisions – as of June 30, 2016

In USD

Activity	From inception to June 30, 2016
Projects and Programs	424,438,756 a/
Administrative Expenses	87,443,926
Secretariat	
Administrative Budget b/ c/	95,840,428
Interim Trustee	
Administrative Budget	3,111,796
Cancellations for under expenditures	
Reported at 8th Board Meeting	(11,508,298)
Total Funding Decisions Net of Cancellations	511,882,682
<p>a/ includes the USD 256.6 million funding decisions approved by the board in June 2016 meeting.</p> <p>b/ excludes USD 1.3 million approved for the Interim Secretariat, funded from the UNFCCC Secretariat Transitional Committee trust fund.</p> <p>c/ includes USD 16 million allocated for the preparation of a detailed programme of work on Readiness and Preparatory support.</p>	